

Message Text

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PAGE 01 BELGRA 01580 251203Z
ACTION EB-08

INFO OCT-01 EUR-12 ISO-00 AID-05 CIAE-00 COME-00
FRB-03 INR-10 NSAE-00 USIA-06 TRSE-00 XMB-02
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FM AMEMBASSY BELGRADE
TO SECSTATE WASHDC 0000

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E.O. 11652: N/A
TAGS: EFIN, YO
SUBJ: EXIM GUARANTEE QUESTION

REF: BELGRADE 1579

1. AT HIS FEB 24 MEETING WITH ASSISTANT SECRETARY FOR
FOREIGN AFFAIRS BERNARDIC, THE AMBASSADOR BRIEFLY DISCUSSED
THE EXIM PROBLEM. HE BEGAN BY SAYING THAT ALTHOUGH HE
HAD STATED THE U.S. POSITION EARLIER TO DEPUTY MINISTER
LONCAR, HE WISHED TO EXPLAIN IT TO BERNARDIC AS WELL.
WHAT THE U.S. GOVERNMENT CONSIDERED UNACCEPTABLE
IN THE "PRELIMINARY" RESPONSE OF THE FINANCE MINISTRY WAS NOT
THEIR NEGATIVE REACTION TO ALL OF EXIM'S PROPOSALS, BUT THEIR
UNWILLINGNESS TO ACCEPT THE DRAFT AS A BASIS FOR NEGOTIA-
TION. THEY IN EFFECT SAID "NO, GO BACK AND TRY AGAIN."
THE AMBASSADOR POINTED OUT THAT EXIM HAD COME A LONG WAY
TO COMPLY WITH THE UNIQUE YUGOSLAV LEGAL AND ECONOMIC
SYSTEM AND THAT SUCH A NEGATIVE RESPONSE LEFT US UN-
CERTAIN AS TO HOW TO PROCEED. FOR THAT REASON, WE WERE
NOW LOOKING TO YUGOSLAVIA TO RESPOND IN A SIMILAR
SPIRIT.

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PAGE 02 BELGRA 01580 251203Z

2. BERNARDIC RESPONDED THAT HE UNDERSTOOD THE U.S.
POSITION AND HE FELT THE PROBLEM WOULD BE SOLVED
BECAUSE BOTH PARTIES MUST RESOLVE IT FOR THE SAKE OF
THEIR ECONOMIC RELATIONSHIP. HE SAID THAT FROM THE
YUGOSLAV SIDE, THE SUPERGUARANTEE CONTRADICTED THE
SPIRIT AND THE LAW OF THE CURRENT TREND TOWARD
DECENTRALIZATION. IT WAS CLEARLY A CENTRALIST CONCEPT

OUR OF PHASE WITH THE YUGOSLAV SYSTEM -- WHILE STILL
PERFECTLY ACCEPTABLE TO COUNTRIES SUCH AS POLAND WITH
A STRONG CENTRALIZED ECONOMY. HE CONCLUDED BY REPEATING
THAT IT WAS A SOLVABLE PROBLEM -- AGREEING WITH THE
AMBASSADOR THAT IT WAS FAR LESS COMPLEX THAN KRJKO.
EAGLEBURGER

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Message Attributes

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